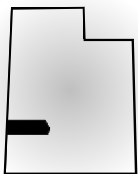


County Trends



Beaver

September 2003

A Local Economic Perspective

Beaver County's Economy Struggles

There's not much joy in Beaver County's economic indicators. The most relevant indicator—the year-over change in jobs—shows a shrinking employment pool. In addition, construction is off considerably from 2002. The bright spots? Unemployment remains relatively low and sales are up substantially, if unsustainably.

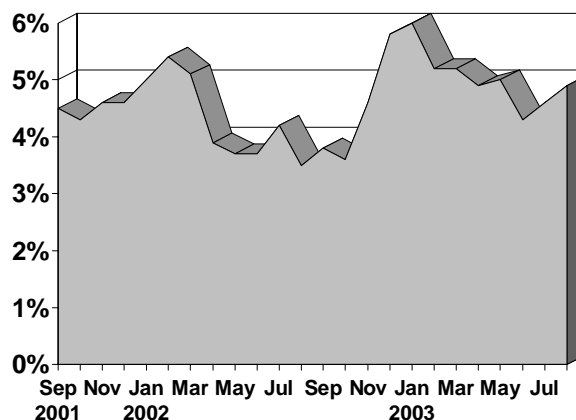
Labor Market

Unfortunately, Beaver County's labor market started 2003 in even worse condition than it ended 2002. And, the farther time progressed into 2003, the further the job loss rate slipped. On average, non-farm employment decreased more than 4 percent between the first quarters of 2002 and 2003. Even growth in covered agriculture did little to offset the 80-job loss in nonfarm employment.

The losses were centered in five industries. Accommodation/food services lost the largest portion of employment—almost 60 jobs. However, losses were noticeable in construction, manufacturing, and retail trade. Even the public sector got into the act with a government position decline.

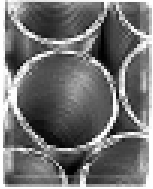
What few employment gains that developed proved marginal. Covered agriculture and health/social

Seasonally Adjusted Beaver County Unemployment Rates

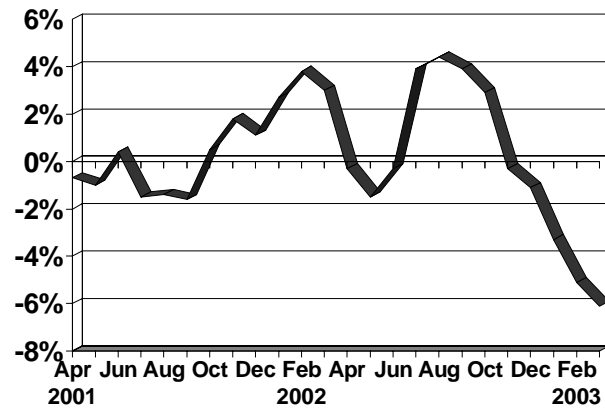


Source: Utah Department of Workforce Services.





Year-Over Change in Beaver County Employment



Source: Utah Department of Workforce Services.

To the Point

The most worrisome factor in Beaver County's economy is its continued job losses. However, a more up-to-date unemployment rate suggests that the employment picture is improving. Yet, declining construction and slipping rates of sales growth in the core industry pose further cause for concern.

services were the only two industries to contribute more than ten positions.

Available jobless rates are more current than the job figures—which raises some interesting questions. Beaver County's August 2003 unemployment rate stood at 4.9 percent. That's down substantially from its recent January 2003 peak. This may suggest that as new figures become available, we could see that Beaver County was creating employment again by midyear.

Keep in mind that Beaver County's 4.9 percent unemployment rate measures below both the state (5.1 percent) and national (6.1 percent) averages. In other words, joblessness remains relatively low—especially for a small county.

Construction Down Once More

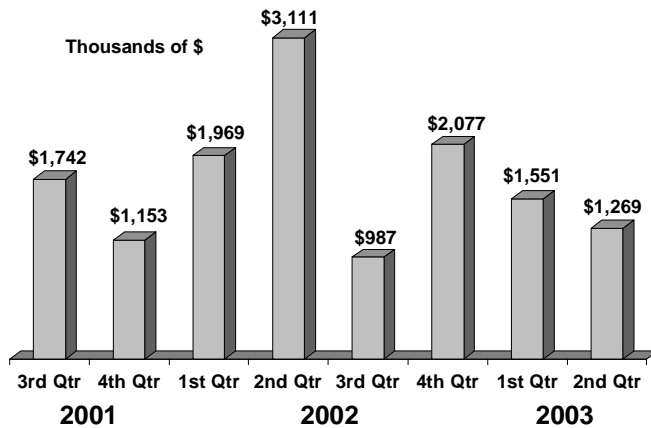
Construction in Beaver County is having a dismal 2003. Not only were permitting values down significantly during the first quarter, but they slipped even farther during the second quarter. In fact, in comparison to the second quarter of 2002, permit dollar amounts dropped by almost 60 percent.

Don't lay the blame at the feet of residential building. The number of homes permitted during second quarter rose by 83 percent. However, the value of permits increased by just 23 percent.

Yes, its nonresidential construction that is dragging total values down. Commercial building dropped by 93

Total Beaver County Approved Construction Values

3



Source: Utah Bureau of Economic & Business Research.



percent when compared to the same quarter a year earlier.

Sales Atypical

During the final quarter of 2002, Beaver County experienced an atypical rise in miscellaneous retail trade sales that knocked its sales growth rate out of the ballpark. While those retail figures dropped down to more normal levels, another atypical occurrence jumped in to fill the void. Capital expenditures associated with the construction of the Kern River Pipeline shoved Beaver's gross taxable sales growth rate to double the previous year's level. Unfortunately, sales staples retail trade and services both experienced double-digit declines.

What's Next?

Many of Beaver County's economic indicators are troubling. Jobs are declining, construction is down, and sales would be down substantially without an unusual capital expenditure. However, the unemployment rate hints that things may get better for Beaver County in the months ahead.

Lecia Parks Langston, Regional Economist
lecialangston@utah.gov, 435-688-3115

Quick Facts

August 2003

Unemployment Rate

Beaver County	4.9%
Utah	5.1%
U.S.	6.1%

Mar 2003 Change from Previous Year

Job Growth

Beaver County	-6.1%
Utah	-0.1%
U.S.	-0.3%

2nd Qtr 2003 Change from Previous Year

Construction Values

Beaver County	-59.2%
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1st Qtr 2003 Change from Previous Year

Sales

Beaver County	205.8%
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Source: Utah Dept of Workforce Services,
 Bureau of Labor Statistics,
 Utah Tax Commission,
 Bureau of Econ & Business Research.

For more economic information about Beaver County see:
<http://jobs.utah.gov/wi/regions/county.asp>

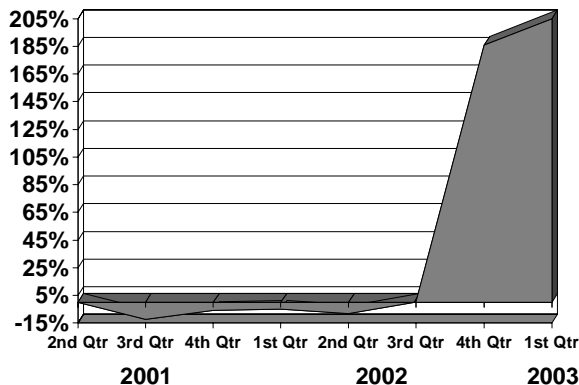
State of Utah

Utah Department of Workforce Services

140 East 300 South
PO Box 45249
Salt Lake City, UT 84145-0249

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Year-Over Change in Beaver County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up?

- The federal government has designated the entire state of Utah a natural disaster area as a result of prolonged drought conditions, insect infestations and high winds. The designation makes farmers in all 29 counties eligible to be considered for low-interest emergency loans from the Farm Service Agency. Utah is in its fifth year of drought, and the USDA's Palmer drought index ranked the state the nation's driest.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/western/beaver/beaveree.pdf>



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